

FISCAL NOTE

HB 243 - SB 1345

February 22, 2007

SUMMARY OF BILL: Extends the moratorium on nursing facility beds, including hospital beds converted to either hospital swing beds or nursing home beds, nursing home beds added by the 10 bed – 10% rule, and skilled Medicare beds until June 30, 2009.

ESTIMATED FISCAL IMPACT:

State Expenditures – Cost Avoidance – FY 08 - \$1,727,400
FY 09 - Exceeds \$1,727,400

Other Fiscal Impact – Federal Expenditures – Cost Avoidance –
FY 08 - \$3,030,600
FY 09 – Exceeds \$3,030,600

Forgone Revenue – FY 08 - \$222,500 / Nursing Home Bed Tax
FY 09 - \$222,500 / Nursing Home Bed Tax

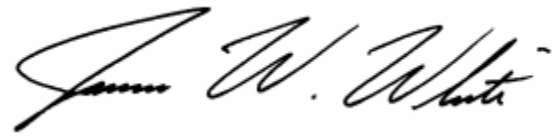
Assumptions:

- Annual reimbursement for FY 2008 is estimated at \$130 per day. \$130 X 100 beds X 366 days would result in \$4,758,000 in expenditure avoidance.
- The TennCare program will avoid increase reimbursement expenditures for long term care of \$1,727,392 in state expenditures (at a rate of 36.305%) and of \$3,030,608 in federal expenditures (at a rate of 63.695%).
- The State would forgo any increased revenues from the nursing home bed tax of \$2,225 per bed which would result in a total of \$222,500 (\$2,225 X 100 beds) in forgone revenue.
- Estimate is based on 100 additional Medicaid beds.
- It is estimated that the daily rate per bed will increase each fiscal year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

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A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director